THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) Air India Limited has taken the following steps to improve the financial performance:—

(i) Marketing efforts have been stepped up to generate additional revenue. (ii) Network rationalization and consolidation with emphasis placed on route profitability. (iii) Reduction in expenditure on outside repairs of aircraft by undertaking more in-house repairs. (iv) Several posts of India based officers abroad have been abolished. (v) Freeze on external recruitment in non-operational categories. (vi) Two voluntary schemes have been notified *viz.* shorter working week scheme and leave without pay/allowances scheme for a period of two years extendable upto five years.

The Disinvestment Commission in its VIII Report on Air India *inter alia* has recommended infusion of Government equity of Rs. 1000 crores and induction of a strategic partner on the basis of global bids. The recommendations of the Commission are under consideration of the Government.

(c) and (d) No, Sir, the matter is within the competence of Air India management.

Scam in encashment of Kisan Vikas Patras and National Saving Certificates

101. SHRI P. PRABHAKAR REDDY: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that a Central audit into the functioning of several postal circles in the country has revealed a major scam involving fraudulent encashment and missing Kisan Vikas Patras (KVPs) and National Saving Certificates (NSCs) worth nearly Rs. 153 crores;

(b) if so, the details thereof and the steps proposed to be taken to recover these illegal and fraudulent payments and to bring the offenders to book; and

(c) what is Government's reaction to the reported suggestions by the CAG to transfer the sale of these certificates to the banking sector?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) to (c) Savings certificates including Kisan Vikas Patras (KVPs), Indira Vikas Patras

(IVPs) and National Savings Certificates (NSCs) were lost in transit from the custody of Railways during the years 1994—97 while being transported from India Security Press (ISP) Nasik to Circle Stamp Depots across the country before their delivery to the Department of Posts (DoP). The cases of fraudulent payment of such lost certificates were first detected by the Department in eleven post offices in Delhi Circle in December, 1996 and the cases were reported to the State police authorities immediately for investigations besides undertaking departmental investigations. The first report of the Central Audit on the subject was received by the DoP in July, 1997. Intensive investigations were continued by the DoP and more cases were gradually unearthed.

The CAG in their latest report No. 6 of 1999 have mentioned the loss of savings certificates amounting to Rs. 151.80 crores in transit from the custody of Railways in West Bengal Postal Circle. This report also makes mentioned of the loss of Savings Certificates worth Rs. 185.25 crores in transit to Assam and Bihar Circle during 1994—97. It also indicates fraudulent encashment out of these lost savings certificates during the period 1997—99 to the tune of Rs. 30.87 lakhs in Delhi Circle, Rs. 99.47 lakhs in Uttar Pradesh Circle and Rs. 2.72 lakhs + Rs. 0.50 lakhs, *i.e.* Rs. 3.32 lakhs in West Bengal Circle.

The factual position of the entire country in the case as on date as per detailed DoP investigations is that the total face value of savings certificates including IVPs, KVPs and NSCs lost in transit from the custody of Railways during 1994—98 meant for all the nineteen circles is Rs. 487 crores with the break-up as per the enclosed Statement (*See* below).

The factual position of total amount of fraudulent encashment in the country till date out of the lost savings certificates of face value

amounting to Rs. 487 crores in all the nineteen circles is Rs. 4.7097 crores during the period 1994—98 with the following circle-wise break-up.

Circle	Amount (Rs. In Crores)
1. Delhi	3.54
2. U.P.	0.9947
3. Haryana	0.1750
4. All Other Circles	Nil
GRAND TOTAL:	4.7097 Crores

The fraudulent encashment of Rs. 0.50 lakh in West Bengal Circle mentioned in the CAG Report does not pertain to such savings certificates lost in transit from Railway custody, but to the genuinely issued savings certificates (NSCs) lost from the investor's custody where the DoP has not liability. NSCs amounting to Rs. 2.72 lakhs reported as fraudulently encashed in West Bengal Circle in 1995-96 actually pertain to theft of blank NSCs from Goskara P.O. of Burdwan Division, West Bengal, which have not yet been fraudulently encashed.

Following corrective measures have been taken by the Department to check the loss of certificates in transit and their fraudulent encashments:—

(i) The Department of Posts has circulated the numbers and series of the savings certificates lost in transit from the custody of Railways till date to all the post offices in the country so as to guard against their fraudulent encashment from any of the post office.

(ii) Department has also informed Reserve Bank of India about the complete details of the lost certificates so that R.B.I. in turn can circulate the series nos. to various nationalized, cooperative and private banks in the country for averting fraudulent pledging of these certificates to get loans.

(iii) The matter has also been reported to the CBI which is actively investigating the case. CBI has revealed that they have been able to bust a gang in Delhi area which were involved in fraudulent encashment of certificates from Mangolpuri (Ashok Vihar H.O.) Post Office in Delhi. Four of the miscreants from outside the Department have been arrested and are presently in jail and two of them are absconding. Seven of the Departmental officials have been arrested and one is absconding. Two of bank officials involved in the case have also been arrested. Thirty seven of the departmental officials have been proceeded against for imposition of major penalty under the conduct rules. The matter is being vigorously pursued with the CBI for expediting the investigation so as to apprehend all the culprits. Besides, Rs. 19.90 lakhs in U.P. Circle and Rs. 24 lakhs in Delhi Circle i.e. altogether Rs. 43.93 lakhs have so far been recovered from departmental officials whose contributory negligence facilitated the fraudulent encashment.

(iv) Department has also circulated instructions from time to time to all the Circles and Post Offices to guard against any such fraudulent payments in future. The staff has been directed to strictly follow the laid down procedures and rules while disbursing the encashments of savings certificates.

(v) Department has also proposed changes in the mode of transportation of the savings certificates from ISP Nasik to various Circle Stamp Depots. The proposal for transportation by using Express Parcel Post has been agreed to by Department of Economic Affairs, Ministry of Finance.

(vi) Presently the consignments are being transported from ISP, Nasik to various CSDs in country by road under escort from concerned circle and there has been no loss in transit of consignment despatched from ISP, Nasik since 1998.

(vii) The payment on discharge of certificates over Rs. 20000 to any single party has been ordered to be made through a cheque rather than by cash from post office.

The latest CAG Report No. 6 of 1999 has been received recently by the DoP on 4.11.1999 and the actions on different paras are

under process. CAG's suggestions at para 55.10 of the report about reviewing the need to continue these agency functions in DoP will be examined in consultation with Ministry of Finance on whose behalf these agency functions are being performed by DoP.

Statement

Details of Loss of Savings Certificates in Transit from the Custody of Railways during 1994—97 meant for all 19 Circles

Circle	Amount (Rs. in Crores)
1. Andhra Pradesh	Nil
2. Assam	173.150
3. Bihar	39.7000
4. Delhi	0.0810
5. Gujarat	0.0001
6. Haryana	13.0200
7. Himachal Pradesh	0.0006
8. J&K	0.0421
9. Karnataka	Nil
10. Kerala	Nil
11. M.P.	0.0023
12. Maharashtra	Nil
13. North East	Nil
14. Orissa	0.0212
15. Punjab	0.2000
16. Rajasthan	Nil
17. Tamil Nadu	0.0045

Circle	Amount (Rs. in Crores)
18. U.P.	108.3100
19. West Bengal	151.7900
GRAND TOTAL	487.0800 Crores

Closing down of post office in Karol Bagh

102. SHRI P. PRABHAKAR REDDY: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether Government's attention has been drawn to a newsitem which appeared in the Hindu dated 1st November, 1999 under the caption, "outcry over move to close down post office" wherein it has been alleged that postal Deptt. Officials, in connivance with a builder are trying to pull down an existing post office in Karol Bagh, Delhi to help the builder to raise a multi-storeyed Commercial Complex; and

(b) if so, what steps Government propose to take in order to thwart this move?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir. Government's attention has been drawn to the relevant newsitem which appeared in the Hindu dated 1st Nov. 1999 under the caption "outcry over move to close down post office". The department was looking for suitable alternate accommodation with no successful result. Hence it was proposed to temporarily merge it with Karol Bagh Head Office which is a half kilometer away.

(b) The proposal was reviewed and it was decided to continue the Post Office in the present premises.